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Making waves in Oakland

Principal Dean Madsen of our San Francisco office narrowly missed being elected City Auditor of Oakland, California in a special runoff election May 15 against the incumbent City Auditor. Dean garnered 48 per cent of the vote in the runoff election, up substantially from the 32 per cent figure in the election April 14, but not quite enough to give Oakland the new blood and new thinking that Dean feels is needed in the city's government. "It was a good campaign," says Dean. "We got a lot of people thinking about an office that has not been distinguished in the public mind."

Dean's active participation in politics in the City of Oakland began in 1971. Annoyed that the city's annual financial statements had been issued anywhere from one and a half to three and a half years late, Dean reviewed whatever financial statements he could get his hands on and wrote a series of articles on deficiencies in the city's financial administration for a local newspaper, *The Montclarian*. One of the things Dean had turned up in his review was that the city had accumulated \$20 million in excess funds and the public knew nothing about it because of the delays in issuing financial reports.

As fortune would have it, the night before Dean's article was to appear in the newspaper, Oakland's mayor, speaking before a group of businessmen, announced that the city was broke.

The next issue of *The Montclarian* ran both stories on the front page. At the top, Dean's article under the headline: "\$20 Million in Treasury," countered below by another headline: "...But the Mayor Says We're Broke."

At a press conference on the steps of City Hall late in December, Dean announced that he would challenge the City Auditor in the forthcoming election. He stated that as City Auditor he would "question outdated procedures and the management decisions behind the spending of taxpayers' funds" and would "emphasize the establishment of

strong managerial controls over all levels of city operations."

Time and funds are necessary ingredients for any political campaign. Although finding the time is a particularly difficult problem for an accountant during the busy season, Dean was able to work in campaign talks before eighteen service clubs as well as appear at "about eighty or ninety" coffee klatches, dinners and candidates nights sponsored by schools, unions, and various community groups during the four and a half month period. All in all, Dean estimates that his campaign budget was around seventeen thousand dollars. "About two thousand of this," says Dean, "came from contributions from partners, principals and staff of the San Francisco office, and I'm deeply appreciative of their support and encouragement."

With the arduous campaign and the pressures of two elections behind him, Dean Madsen is looking ahead.

"I find there is both a need and an opportunity for involvement of CPAs in the affairs of local government, and I expect to remain involved in Oakland politics, especially in the critical analysis of the city's financial administration." □

Carolina tax corps

For principal Bill Convey and five staff accountants in the Charlotte office, the tax season took on new dimensions this year in the interest of low income individuals from minority groups in the area.

Bill has been serving as chairman of the Minority Aid Committees of the North Carolina Society of CPAs and of the Charlotte chapter of NCSCPA's for some time. Last fall, when the chairman of the Charlotte chapter's Income Tax Aid Committee resigned, Bill took that job on himself and set out to find volunteers to man the neighborhood tax centers on Saturday afternoons for the two months between February 17 and April 14, to help prepare individual tax returns.

The first place to look was within

H&S, and Bill says, "The guys were just great. Like most CPA firms this year, we had just about all the tax work we could handle, and yet five of our people volunteered to spend from one to three weeks working with the Tax Aid Program on their own time." In addition to Bill Convey, the H&S people included Ken Burdette, John Garrity, Dave Burke, Eddie McAbee, all from the audit staff, and Larry Gies, the lone tax specialist in the group.

Six additional volunteers came from the offices of two of the other "Big Eight" accounting firms in Charlotte and thirty-seven college students also helped out. "We had nineteen students from the University of North Carolina at Charlotte," says Bill. "They were a great help. We would have been in a real bind without them. We also had help from sixteen students from Johnson C. Smith University, a university here in Charlotte with a predominantly black student body, and two students from Davidson College."

The Tax Aid Program was in operation at two neighborhood centers for two weeks each, then at a single center for nine weeks. In addition, on two weekday nights Bill Convey personally took his services to the Charlotte Advancement Center to provide tax help to prisoners there on work release time from the North Carolina Department of Correction.

All in all, Bill and the other tax aid volunteers gave 275 hours of their time and talent to the program, preparing 400 returns on which there was a total of \$29,000 in tax refunds. Bill was able to work with the program for all but two weeks during the two-month period of operation. But even during that time the returns were delivered to him for review, so that all 400 of them passed through his hands.

For Bill Convey, the other H&S volunteers and the rest, the tax season in Charlotte was particularly hectic this year but, as Bill puts it, "the extra hours we put in were for a very worthy cause." □

SCENE

THE
H&S

For young people only?

What has skeletons, horns, books and films, can teach music, art and foreign languages, and is filled with cement?

Need a clue? You'll find it in a new *Report on the Year for Young People*, an everyday language, scaled-down version of the Annual Report of our client, Macmillan, Inc., widely known as a book publisher. In his introduction to the report, Raymond C. Hagel, Macmillan chairman of the board and president, explains its intent.

"First, we'll show you what we do, what we make and sell. We'll describe how we help people learn, in school or out, because they have to or because they want to. Then we'll fill in the financial details that the shareholders, our owners, are given. We'll explain unfamiliar terms as we go along."

The result is a sprightly and colorful presentation about the Macmillan family of companies throughout the world. Most people know that the chief concern of Macmillan, Inc. is education, but they would be surprised to learn how diverse the corporation is in that field. In addition to textbooks, paperbacks, picture books and reference materials, Macmillan companies also sell scientific materials such as skeletons and biological specimens, as well as puzzles, toys, ant farms and other things that help children learn. For the band and orchestra there are horns, guitars, flutes, violins, organs and just about every other musical instrument in use, all made by Macmillan companies. They even supply caps and gowns for graduation, plus a wide range of clothes and props for bands, choirs, clubs, fraternal groups and the like. Need a new language? Berlitz, says the report, will teach you any living language or dialect in the world if a native instructor can be found. There is much, much more and it is interesting reading.

Now, what has skeletons, horns, books and films, can teach music, art and foreign languages, and is filled with cement? Macmillan, Inc., of course. Filled with cement? Sorry. As most young people know, that was just put in to make the riddle hard. □

Catching the best

Baseball has always played a big part in the life of John Anthony ("Babe") Testone, partner in charge of the Syracuse office, and he still likes to keep his hand in. After batting around the farm systems of the New York Yankees and Baltimore Orioles, formerly of the International League (Class AAA) for six years, John hung up his spikes as a professional player but remained active as a high school baseball coach in the Syracuse area.

One of his prize pupils of a few years back was a catcher (and first baseman) named Marty Domres, who went on to fame in football as a quarterback at Columbia University. Marty was drafted by the San Diego Chargers of the National Football League, and then traded to the Baltimore Colts, where he replaced Johnny Unitas last year as starting quarterback. John Testone has kept in touch with his talented catcher over the years and it is because of his faith in John, both

as a coach and accountant, that Marty Domres is a tax client of the Syracuse office.

John's latest contribution to the sporting world is a new staff accountant named Andrew J. Russo, whom he hired in January. "I've known Andy's father for years," says John. "We grew up together on the north side of Syracuse. I had heard Andy was on the Dean's List when he graduated from Le Moyne College, here in Syracuse, and was a good prospect for H&S. I had also heard he was a pretty good catcher, but I had never seen him play. One day I ran into a scout for the Phillies that I know and I said, 'Gus, how good a baseball player is Andy Russo?' He said, 'Probably good enough to be drafted.' We went ahead and hired him anyway because he has also shown outstanding potential as an accountant. I think it helps client relations to have a sports figure in the office, especially when he displays the same will to win professionally as he does on the athletic field."

As it turned out, Andy Russo was drafted—in the third round and by the Philadelphia Phillies. He went to spring training with the team in Clearwater, Florida, then was assigned to the Phillies' Class A farm team in Spartanburg, South Carolina, for the "seasoning" expected of most rookies. But with good catchers much in demand, especially late in the season, and with the Phillies on a rebuilding drive, H&S baseball fans might soon turn on the TV set to see a fellow accountant squatting behind home plate. □

SCENE

THE
H&S

Alma mater honors

"Congratulations, Gary," the telegram read, "on this important and memorable occasion as the recipient of the Alumnus of the Year Award. All of us at Haskins & Sells are proud of your achievements... Your associates join me in wishing you every success..."

The scene was Vermillion, South Dakota. The event was the University of South Dakota's annual School of Business banquet. The telegram being read was from C. Howard Kast, partner in charge of the Denver office, to partner Gary F. McMahon of his office, on hand to accept the plaque honoring him as Alumnus of the Year.

In the audience for the occasion were Gary's wife, Shirley, a native of the area, his mother, and his brother and sister-in-law. "I'm especially happy that my mother could be there," says Gary. "She's getting along in years and it was a big moment for her."

When Howard Kast received word from the chairman of the University's Alumnus Distinguished Service Award Committee about Gary's selection, he summed up, in his reply, those attributes that undoubtedly led to his selection. "Mr. McMahon is most deserving of this honor as he is one of the most outstanding young men I have encountered in my public accounting career. He is an excellent example of someone who recognized his opportunities, established his goals and accomplished them. Not many rise from assistant accountant to partnership in ten years; he joined our Firm in February 1961 and became a partner and member of the Firm in June of 1971." □

Watergate north

When it comes to agents, secret or otherwise, the people in our Merrimack Valley office know how it feels to be surrounded by them.

The case began innocently enough in 1971 when the Merrimack Valley office moved into a new building at 420 Common Street in Lawrence, Massachusetts. H&S occupies part of the third floor there.

In the fall of 1972 the Internal Revenue Service moved in on the second floor

of the building. Two weeks before Christmas H&S, as good neighbors, hosted an open house to welcome all new tenants, complete with buffet and cocktails. As a result, our staff got to know most of the IRS agents.

A couple of months later, in February, more agents moved in. This time it was the Federal Bureau of Investigation, a new tenant sharing the third floor. These agents, it turns out, are much more secretive. Says senior Charles Curtin, "I haven't even seen anybody yet that looks like an agent." That *has* to be a compliment to an FBI man. □